

A G E N D A



Monday, September 8, 2008

Budget**Item No. 5****RECOMMENDATION FOR COUNCIL ACTION**

Subject: Approve an ordinance adopting and levying a property (ad valorem) tax rate for the City of Austin for Fiscal Year 2008-2009.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Greg Canally, Deputy Chief Financial Officer, 974-2609

Prior Council Action: August 7, 2008 – Council sets dates for Public Hearings on the tax rate and dates for approval of the tax rate. Public Hearings on the proposed ad valorem tax rate were conducted on August 21 and 28, 2008.

By this action, the City Council will approve an ordinance that levies, and orders to be assessed and collected for the calendar year 2008 property (ad valorem) taxes that are set at a rate per \$100 of taxable value, with related property tax exemptions. The tax rate consists of two components, each separately approved by Council. These components are: the amount to pay debt service, and the amount to fund maintenance and operation expenditures for the City.

On August 7, 2008, the City Council announced that the maximum proposed property (ad valorem) tax rate it would consider adopting for Fiscal Year 2008-2009 would be \$0.4012 per \$100 of taxable value.

The actual tax rate adopted by the City Council may be lower than \$0.4012, but it will not be higher. The City Manager's Proposed Budget includes a tax rate of \$0.4028 per \$100 of taxable value, which was the estimated rollback rate prior to the actual July certified tax roll. The confirmed rollback rate based on the certified tax roll is \$0.4012. The confirmed effective tax rate, which is the tax rate that will generate the same amount of revenue as in the prior year, is \$0.3763 per \$100 of taxable value.

Since Council voted to consider a maximum proposed rate that exceeded the effective rate, it scheduled and conducted two public hearings on the proposed tax rate. These public hearings were held on August 21 and 28, 2008.